

Lowenstein Sandler

ATTORNEYS AT LAW

Donald A. Corbett

Member of the Firm

Tel 646.414.6832

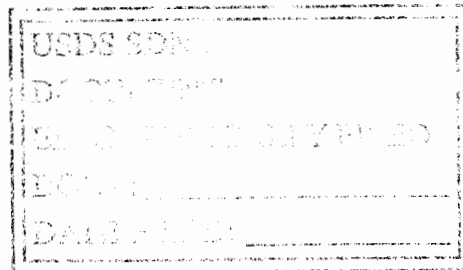
Fax 973.422.6823

dcorbett@lowenstein.com

August 27, 2012

VIA FEDERAL EXPRESS

Hon. Kenneth Karas
United States District Court
United States Courthouse
300 Quarropas Street, Chambers 533
White Plains, New York 10601-4150



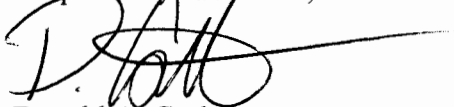
**Re: Trustees of the Police & Fire Retirement System of the City of Detroit v. Clapp,
No. 08-CV-01515 (KMK)**

Dear Judge Karas:

We represent MBIA Inc. through its Special Litigation Committee of the Board of Directors and write, on behalf of all parties, to inform the Court that the parties to the subject action have agreed to a settlement in principle.

All parties to this action therefore respectfully request that all proceedings in this action (including the defendants' response to the amended complaint), other than proceedings necessary to carry out the terms and conditions of the settlement, be stayed and suspended until further Order of this Court. The parties also ask that Plaintiff have until October 15, 2012, to file the parties' settlement agreement and its motion for preliminary approval of the settlement. //

Respectfully submitted,


Donald A. Corbett

cc: Robert N. Schwartz, Esq. (via e-mail)
Denis F. Sheils, Esq. (via e-mail)
Gregory M. Nespole, Esq. (via e-mail)

24898/2
08/27/12 21315290.1

*Granted.
So ordered.
KMK
8/29/12*